

GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT

Handloom Industry - Margin Money Assistance under National Co-operative Development Corporation scheme - Sanction of an amount of Rs.505.60 Lakhs (i.e., Rs.442.40 Lakhs as loan and Rs.63.20 lakhs as subsidy) towards construction and Modernization of (6) godowns/Showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad under National Co-operative Development Corporation - Orders - Issued.

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INDUSTRIES AND COMMERCE (TEX) DEPARTMENT

G.O.Rt.No.171

Dated 28-03-2011  
Read the following:-

1. From the Managing Director, NCDC, New Delhi, Letter, No. NCDC:4-3/2008-Text(HLM)(307)(SO70186), dated 26.3.2008.
2. Government Lr.No.18709/Tex.2/2007-1, dated 02-03-2010.
3. From the Managing Director (T-Textiles), NCDC, New Delhi, Letter No.NCDC:4-3/2008-Text(HLM)(536)(RO90516), dt. 20.3.2010.
4. From the Asst. Director (Accounts) NCDC Finance Division, New Delhi, Lr.No. NCDC:A&C/1(Rel)/AP/2009-10/553,dated 23-03-2010.
5. From the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad., Lr.Rc.No.15957/2008-A1, dt.12.04.2010.
6. G.O.Rt.No.5211, Finance ( Exp.I&C) Department, dated 27-12-2010.

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O R D E R:-

In the reference 1<sup>st</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed the sanction of Financial Assistance of Rs.1137.60 lakhs comprising Rs.884.80 lakhs as loan and Rs.252.80 lakhs as subsidy) to Government of Andhra Pradesh towards construction and Modernization of (6) godowns and showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), at a total project cost of Rs. 1264.00 lakhs. The Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has requested the Government to consider the proposals and release the Financial Assistance of Rs.1137.60 lakhs (Rs.884.80 lakhs as loan and Rs.252.80 lakhs as subsidy) to APCO, Hyderabad towards construction / Modernization of (6) godowns / showrooms.

2. In the reference 2<sup>nd</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi was requested to release an amount of Rs.1137.60 lakhs (i.e., Rs.884.80 lakhs as loan and Rs.252.80 lakhs as subsidy) in advance to the State Government as National Co-operative Development Corporation loan on reimbursement basis to meet the expenditure towards construction of Modernization of six godowns /showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad.

3. In the reference 3<sup>rd</sup> read above, the Managing Director, National Co-operative Development Corporation, New Delhi has conveyed the approval of the NCDC for the payment of Rs.505.60 lakhs (i.e. Rs.442.40 lakhs as loan and Rs.63.20 lakhs as subsidy) to the Government of Andhra Pradesh as advance release towards construction & Modernization of six godowns /showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad to the Government of Andhra Pradesh. The State Government shall pass on the said assistance to the society within one month from the date of receipt of assistance from the National Co-operative Development Corporation as per pattern indicated in the sanction letter. The amount of Rs.505.60 lakhs is being remitted through a bank draft separately. Further, the National Co-operative Development Corporation, New Delhi has stated that the release of loan sanctioned shall be

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governed by the terms and conditions as contained in the sanction letter and annexure to the letter. The other terms and conditions shall, however, remain the same as communicated vide NCDC Letter No. NCDC:1-1/84-Budt, dated 15.10.84 and No. NCDC:1-1/90-Budt, dated 25.01.2010 and as amended from time to time.

4. The assistance of Rs.505.60 lakhs sanctioned is further subject to the following conditions: -

- (i) State Government /APCO shall furnish to the Corporation such returns, statements of accounts and other information, as may be prescribed or called for by the Corporation from time to time;
- (ii) APCO shall allow and afford facilities to the officers of the Corporation or any other person or persons nominated by it in this behalf to verify and inspect its books of accounts and other records; and
- (iii) APCO make arrangements to the satisfaction of the Corporation for the appointment of suitable administrative and technical/ senior personnel for the business of the society.

5. The Corporation reserves the right to foreclose and recover the loan assistance from the State Government if:-

- (i) the assistance is not used for the purpose for which it has been sanctioned and it is diverted for any other purpose;
- (ii) APCO discontinues or reduces its business;
- (iii) APCO fails to furnish the returns, statement of accounts and other information as may be prescribed or called for by the Corporation from time to time.
- (iv) if any of the other conditions are not fulfilled.

6. The period of loan will be for 8 years. There shall be no moratorium on repayment of loan and payment of interest. The repayment of loan instalment along with interest will commence from the 1<sup>st</sup> anniversary of the deemed date of drawal of loan.

7. The loan shall carry rate of interest prevailing at the time of actual release of funds which will be a floating rate linked with State Bank Advance Rate. Existing effective rate of interest is 9.75% p.a.( linked with present State Bank Advance Rate of 12.25%). Effective rate of interest shall be applicable in case payment of instalment is made on or before due date. In case payment of instalment is not made on or before due date, normal rate of interest, which is 1% higher than the effective rate shall be applicable. Further, in case of default in payment of instalment, penal interest @ 2.5% over and above the normal rate of interest shall be charged on the defaulted instalment for the period of delay. The other terms and conditions of the Corporation shall be according to NCDC letter No. NCDC:1-1/84-Budt. dated 15.10.1984 and No. NCDC:1-1/1990-Budt., dated 27-2-2008 and as amended from time to time.

8. In the reference 4<sup>th</sup> read above, the National Co-operative Development Corporation, New Delhi has furnished 'Account Payee' Cheque issued in favour of Secretary to Government, Industries and Commerce (Tex) Department, drawn on Punjab National Bank, Nehru Place, New Delhi for an amount of Rs.5,05,60,000/- vide Cheque No. 093938, dated 23-03-2010, towards release of loan / subsidy in accordance with the release / sanction letter issued by National Co-operative Development Corporation.

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9. In the reference 5<sup>th</sup> read above, the Director of Handlooms and Textiles and Development Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad has stated that the Managing Director, National Co-operative Development Corporation, New Delhi have conveyed sanction of 50% of Assistance of Rs.505.60 lakhs, comprising Rs.442.40 lakhs as loan and Rs.63.20 lakhs as subsidy as advance release towards construction & Modernization of (6) godowns/showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad. He has requested the Government to issue necessary orders for release of the said amount for implementing the programme.

10. After careful examination and as per the orders issued in the reference 6<sup>th</sup> read above, the Government hereby accord sanction for an amount of Rs.5,05,60,000/- (Rupees Five Crores, Five Lakhs, and Sixty Thousand only) comprising Rs.442.40 lakhs as loan and Rs.63.20 lakhs as subsidy towards construction and Modernization of (6) godowns/showrooms by Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad from the Budget Estimates provision 2010-11 under Plan.

11. The expenditure sanctioned above shall be subject to the conditions stipulated by the National Co-operative Development Corporation, New Delhi, as mentioned above.

12. The expenditure of loan amount of Rs.442.40 lakhs shall be debited to the following Head of Account:-

- M.H.6851 - Loans for Village and Small Industries.
- 103 - Handloom Industries
- G.H. 10 - Centrally Sponsored Scheme
- SH (19) - Loan assistance under NCDC scheme
- 001 - Loans for Margin Money Assistance for APCO.

13. The expenditure of subsidy amount of Rs.63.20 lakhs shall be debited to the following Head of Account:-

- 2851-Village & Small Industries.
- 103 - Handloom Industry
- GH.10- Centrally Sponsored Scheme
- SH (55) - Margin Money Assistance to APCO under NCDC Scheme
- 310 - Grants-in-aid
- 312 - Other Grants-in-aid.

14. The Assistant Secretary to Government, Finance (DCM.II) Department is authorized to draw the amount of Rs. 442.40 lakhs sanctioned above, by way of cheque in favour of Commissioner, Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad, who will in turn disburse the same to the Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO) by way of cheque under the scheme and as and when necessity arises for the purpose for which the amount is sanctioned to APCO. The Commissioner, Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, NCDC, (T-Textile), New Delhi.

15. The Commissioner of Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad / concerned drawing and disbursing officer is authorized to draw the subsidy amount of Rs.63.20 lakhs sanctioned above, and disburse the same to the APCO by way of cheque, under the scheme and as and when necessity arises for the purpose of which the amount is sanctioned to APCO. The Commissioner, Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad shall furnish the Utilization Certificates within one month from the date of drawal of the amount to the Office of the Managing Director, National Co-operative Development Corporation, (T-Textile), New Delhi.

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16. The Commissioner of Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad is requested to collect the loan instalment amount sanctioned to Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), as per schedule furnished by the National Co-operative Development Corporation from APCO and also to deduct any payment to be made to APCO in different schemes etc. and remit the same to Government Account every year strictly without fail. The amount sanctioned above is repayable in annual instalments with interest, as per the schedule.

17. The Vice-Chairman and Managing Director, Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), Hyderabad shall furnish the copies of return statement of accounts sent to National Co-operative Development Corporation and also to the Commissioner of Handlooms and Textiles and Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad for monitoring the utilization of funds and for watching recovery schedules, since NCDC has sanctioned and released the loan to Government of Andhra Pradesh as advance towards Margin Money assistance to Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO), and National Co-operative Development Corporation loan is being serviced by State Government.

18. This order issues with the concurrence of Finance (Exp.I&C) Department, vide their U.O.No.27423/373/Expr.I&C/2010, dated 27-12-2010 and vide Budget Release Order in G.O.Rt.No.5211, Finance (Exp.I&C) Department, dated 27-12-2010.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

J.C.SHARMA,  
PRINCIPAL SECRETARY TO GOVERNMENT (F.A.C.)

To  
The Commissioner of Handlooms and Textiles and  
Commissioner for Apparel Export Parks, Andhra Pradesh, Hyderabad  
The Vice-Chairman and Managing Director,  
Andhra Pradesh State Handloom Weavers' Co-operative Society Ltd.,  
(APCO), Hyderabad  
The Accountant General A.P., Hyderabad.  
The Pay and Accounts Officer, Hyderabad  
The Director of Treasuries of Accounts, A.P., Hyderabad.  
The Managing Director,  
National Co-operative Development Corporation ( NCDC),  
4, Siri Institutional Area, Hauz Khas, New Delhi.  
The Assistant Secretary to Government, Finance (DCM.II) Department.  
Copy to:  
The Chief Director,  
National Co-operative Development Corporation,  
2nd Floor, HACA Bhavan, Opp. Public Gardens, Hyderabad.  
The Finance (Exp.I&C)/ (BG) Department  
The P.S. to Minister for Handlooms and Textiles.  
The P.A. to Principal Secretary to Government (F.A.C.),  
Industries and Commerce Department.  
Industries and Commerce (L&B) Department.  
Stock File/Spare Copies.

// FORWARDED BY: ORDER//

SECTION OFFICER.